

VZCZCXRO2030
RR RUEHBZ RUEH DU RUEHJO RUEHRN
DE RUEHMR #0588 3021503
ZNR UUUUU ZZH
R 291503Z OCT 07
FM AMEMBASSY MASERU
TO RUEHC/SECSTATE WASHDC 3423
RUEHPS/USMISSION OEDC PARIS FR
INFO RUCNSAD/SOUTHERN AF DEVELOPMENT COMMUNITY COLLECTIVE
RUEHMR/AMEMBASSY MASERU 3824

UNCLAS MASERU 000588

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DEPT ALSO FOR AF/S, IO;

E.O. 12958: N/A

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SUBJECT: LESOTHO: A POSSIBLE PDG PILOT NATION?

REF: STATE 139331

¶1. (U) In response to reftel request, Embassy Maseru submits the following information to the Department and the U.S. Mission to the OECD for consideration of Lesotho as a possible pilot nation for the Partnership for Democratic Governance in Africa.

¶2. (SBU) In response to reftel questions:

Lesotho has a demonstrated need for governance capacity and improved public sector service delivery, but has a low reform implementation capacity. Following major corruption cases involving the Lesotho Highlands Water Project in the 1990's, the nation implemented strong legislation holding contractors accountable. The Government of Lesotho has only a small amount of discretionary funding for initiatives such as PDG. Lesotho has some structures in place which could aid in PDG initiatives, such as the Office of the Ombudsman, the Prime Minister's Smart Partnership Office, the Directorate on Crime and Economic Offenses, and the High Court. Lesotho's strong ties with South Africa and similarities to Swaziland present the possibility of regional cooperation. Lesotho's leadership within the Southern African Development Community (SADC) and that organization's role in helping Lesotho resolve a post-election impasse also bodes well for such regional cooperation. While Lesotho held its first local government election in 2005, sub-national government structures are still largely undeveloped. Several donors, in particular GTZ, are collaborating with the GOL on decentralization efforts. Any PDG programs in Lesotho should focus on service delivery rather than core governmental functions, and such efforts could possibly be tailored to dovetail with Millennium Challenge Corporation (MCC) and PEPFAR efforts in the health, private sector development, and utilities spheres.

¶3. (SBU) COMMENT: As Lesotho struggles with many of the key PDG issues (good governance, strengthening capacity and accountability, and effective service delivery in fields such as customs, judicial and tax services), it is clear that the nation could use outside help. The Government of Lesotho is generally very receptive to international initiatives designed to increase its effectiveness. END COMMENT.

¶4. (SBU) Post shared the narrative of this cable with UNDP-Lesotho, which agreed with its tenor and conclusions.

MURPHY